



The Medicare & Medicaid EHR Incentive Program

CMS Regions VII and VIII Webinar
October 25, 2011



What is the EHR Incentive Program?

Established by law: American Recovery & Reinvestment Act of 2009

- Incentive programs for Medicare and Medicaid
- Programs for hospitals and eligible professionals
- Must use certified EHR technology AND demonstrate adoption, implementation, upgrading or meaningful use
- Programs differ between Medicare and Medicaid
- Medicare incentive program is federally run by CMS
- Medicaid incentive program is run by States and is voluntary

Who is a Medicare Eligible Provider?

Eligible Providers in Medicare FFS
<u>Eligible Professionals (EPs)</u>
Doctor of Medicine or Osteopathy
Doctor of Dental Surgery or Dental Medicine
Doctor of Podiatric Medicine
Doctor of Optometry
Chiropractor
<u>Eligible Hospitals</u>
Acute Care Hospitals*
Critical Access Hospitals (CAHs)

*Subsection (d) hospitals that are paid under the PPS and are located in the 50 States or Washington, DC (including Maryland)

Who is a Medicare Advantage Eligible Provider?

Eligible Providers in Medicare Advantage (MA)

MA Eligible Professionals (EPs)

Must furnish, on average, at least 20 hours/week of patient-care services and be employed by the qualifying MA organization

-or-

Must be employed by, or be a partner of, an entity that through contract with the qualifying MA organization furnishes at least 80 percent of the entity's Medicare patient care services to enrollees of the qualifying MA organization

MA-Affiliated Eligible Hospitals

Will be paid under the Medicare Fee-for-service EHR incentive program

Who is a Medicaid Eligible Provider?

Eligible Providers in Medicaid
<u>Eligible Professionals (EPs)</u>
Physicians
Nurse Practitioners (NPs)
Certified Nurse-Midwives (CNMs)
Dentists
Physician Assistants (PAs) working in a Federally Qualified Health Center (FQHC) or rural health clinic (RHC) that is so led by a PA
<u>Eligible Hospitals</u>
Acute Care Hospitals (now including CAHs)
Children's Hospitals

Medicaid Eligibility: Patient Volume

Entity	Minimum Medicaid patient volume threshold	Or the Medicaid EP practices predominantly in an FQHC or RHC—30% <i>needy individual</i> patient volume threshold
Physicians	30%	
- Pediatricians	20%	
Dentists	30%	
CNMs	30%	
PAs when practicing at an FQHC/RHC that is so led by a PA	30%	
NPs	30%	Not an option for hospitals
Acute care hospitals	10%	
Children's hospitals	No requirement	

Who is Eligible to Participate?

Hospital-based EPs are NOT eligible for Medicare or Medicaid EHR incentives

- DEFINITION: 90% or more of their covered professional services in either an inpatient (POS 21) or emergency room (POS 23) of a hospital
- Definition of hospital-based determined in law

Incentives are based on the individual, not the practice

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Acute Care Hospitals (including CAHs)
Children's Hospitals

Adopt/Implement/Upgrade

- Year 1 option for MEDICAID ONLY
- ***Adopted*** – Acquired and Installed
 - e.g., Evidence of installation prior to incentive
- ***Implemented*** – Commenced Utilization of
 - E.g., Staff training, data entry of patient demographic information into EHR
- ***Upgraded*** – Expanded
 - Upgraded to certified EHR technology or added new functionality to meet the definition of certified EHR technology
- Must be certified EHR technology capable of meeting meaningful use
- No EHR reporting period

What are the Meaningful Use Requirements?

- Meaningful Use is using certified EHR technology to:
 - Improve quality, safety, efficiency, and reduce health disparities
 - Engage patients and families in their health care
 - Improve care coordination
 - Improve population and public health
 - All the while maintaining privacy and security

What are the Meaningful Use Requirements?

- Stage 1 Objectives and Measures:
- **Eligible Professionals** must report on 20 of 25 objectives
 - All 15 core objectives
 - 5 of 10 from menu set
 - 6 Clinical Quality Measures
- **Eligible Hospitals** must report on 19 of 24 objectives
 - All 14 core objectives
 - 5 of 10 from menu set
 - 15 Clinical Quality Measures

What are the Meaningful Use Requirements?

- Stage 1
 - Reporting period is 90 days for first year and full year subsequently
 - Reporting through attestation
 - Objectives and Clinical Quality Measures
 - Reporting may be yes/no or numerator/denominator attestation
 - To meet certain objectives/measures, 80% of patients must have records in the certified EHR technology

What are the Meaningful Use Requirements?

- Eligible Professionals – 15 Core Objectives

Examples:

- Computerized provider order entry (CPOE)
- E-Prescribing
- Report ambulatory clinical quality measures to CMS/States
- Provide clinical summaries for patients for each office visit
- Drug-drug and drug-allergy interaction checks

See MU Specification sheets at:

https://www.cms.gov/EHRIncentivePrograms/30_Meaningful_Use.asp#TopOfPage

Incentive Payments for Medicare EPs

- First Calendar Year (CY) for which the EP Receives an Incentive Payment

	CY 2011	CY 2012	CY 2013	CY2014	CY 2015 and later
CY 2011	\$18,000				
CY 2012	\$12,000	\$18,000			
CY 2013	\$8,000	\$12,000	\$15,000		
CY 2014	\$4,000	\$8,000	\$12,000	\$12,000	
CY 2015	\$2,000	\$4,000	\$8,000	\$8,000	\$0
CY 2016		\$2,000	\$4,000	\$4,000	\$0
TOTAL	\$44,000	\$44,000	\$39,000	\$24,000	\$0

Additional Incentive Payments for Medicare EPs Practicing in HPSAs

- First Calendar Year (CY) for which the EP Receives an Incentive Payment

	CY 2011	CY 2012	CY 2013	CY2014	CY 2015 and later
CY 2011	\$1,800				
CY 2012	\$1,200	\$1,800			
CY 2013	\$800	\$1,200	\$1,500		
CY 2014	\$400	\$800	\$1,200	\$1,200	
CY 2015	\$200	\$400	\$800	\$800	\$0
CY 2016		\$200	\$400	\$400	\$0
TOTAL	\$4,400	\$4,400	\$3,900	\$2,400	\$0

Incentive Payments for Medicaid EPs

- First Calendar Year (CY) for which the EP Receives an Incentive Payment

	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016
CY 2011	\$21,250					
CY 2012	\$8,500	\$21,250				
CY 2013	\$8,500	\$8,500	\$21,250			
CY 2014	\$8,500	\$8,500	\$8,500	\$21,250		
CY 2015	\$8,500	\$8,500	\$8,500	\$8,500	\$21,250	
CY 2016	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$21,250
CY 2017		\$8,500	\$8,500	\$8,500	\$8,500	\$8,500
CY 2018			\$8,500	\$8,500	\$8,500	\$8,500
CY 2019				\$8,500	\$8,500	\$8,500
CY 2020					\$8,500	\$8,500
CY 2021						\$8,500
TOTAL	\$63,750	\$63,750	\$63,750	\$63,750	\$63,750	\$63,750

Incentive Payments for Hospitals

- **Medicare PPS Hospitals**

- Incentive payment = the product of three factors
 - Initial Amount of \$2 M base + a discharge-related amount
 - Medicare Share of inpatient bed days
 - Transition Factor applicable to the payment year – decreases from 1.0 to 0.25 over four years
- Four consecutive payment years if starting by FY 2013
- Must begin by FY 2015
- No payment years after FY 2016

See tip sheets at:

https://www.cms.gov/EHRIncentivePrograms/55_EducationalMaterials.asp#TopOfPage

Incentive Payments for Hospitals

- **Medicare Critical Access Hospitals**
 - Incentive payment = the product of:
 - Reasonable cost for purchase of certified EHR system
 - Medicare Share of inpatient bed days **plus 20 percent**
 - Four consecutive payment years if starting by FY 2012
 - FY 2011 – FY 2015
 - For FY 2016 and beyond, normal reasonable cost principles apply

Incentive Payments for Hospitals

- **Medicaid – all eligible hospitals**
 - 10 percent Medicaid patient volume threshold except for children's hospitals
 - Similar to Medicare hospital methodology
 - Overall payment is calculated, then disbursed over 3-6 years
 - Must begin by FY 2016
 - After FY 2016, payment years must be consecutive
 - FY 2021 is last payment year

Hospitals may receive both Medicare and Medicaid EHR incentives

Notable Differences Between the Medicare & Medicaid EHR Programs

Medicare	Medicaid
Federal Government will implement (will be an option nationally)	Voluntary for States to implement (may not be an option in every State)
Payment reductions begin in 2015 for providers that do not demonstrate Meaningful Use	No Medicaid payment reductions
Must demonstrate MU in Year 1	A/I/U option for 1 st participation year
Maximum incentive is \$44,000 for EPs (bonus for EPs in HPSAs)	Maximum incentive is \$63,750 for EPs
MU definition is common for Medicare	States can adopt certain additional requirements for MU
Last year a provider may initiate program is 2014; Last year to register is 2016; Payment adjustments begin in 2015	Last year a provider may initiate program is 2016; Last year to register is 2016
Only physicians, subsection (d) hospitals and CAHs	5 types of EPs, acute care hospitals (including CAHs) and children's hospitals



EHR Incentive Program Timeline

- January **2011** – **Registration for the EHR Incentive Programs begins**
- January 2011 – For Medicaid providers, States may launch their programs if they so choose
- April 2011 – Attestation for the Medicare EHR Incentive Program begins
- May 2011 – EHR incentive payments begin
- **November 30, 2011 – Last day for eligible hospitals and CAHs to register and attest to receive an incentive payment for FFY 2011**
- **February 29, 2012 – Last day for EPs to register and attest to receive an incentive payment for CY 2011**
- 2015 – Medicare payment adjustments begin for EPs and eligible hospitals that are not meaningful users of EHR technology
- 2016 – Last year to receive a Medicare EHR incentive payment; Last year to initiate participation in Medicaid EHR Incentive Program
- 2021 – Last year to receive Medicaid EHR incentive payment

Additional Resources

- General information, tip sheets and more and register to participate at the CMS official website for the EHR Incentive Programs:

<http://www.cms.gov/EHRIncentivePrograms>

- Learn about certification and certified EHR products as well as other ONC programs designed to support providers in this effort:

<http://healthit.hhs.gov>

- Send e-mail to CMS Regional Office at:

RODENMMFM@cms.hhs.gov

ROKCMMFM@cms.hhs.gov

Additional Resources

Regional Extension Center

http://healthit.hhs.gov/portal/server.pt/community/healthit_hhs_gov__rec_program/1495

State Medicaid Agency

<http://www.cms.gov/apps/files/statecontacts.pdf>

EHR Information Center

- 1-888-734-6433 7:30 am – 6:30 pm CT, Monday -Friday
- E-mail questions via link at:

https://www.cms.gov/EHRIncentivePrograms/20_RegistrationandAttestation.asp#TopOfPage